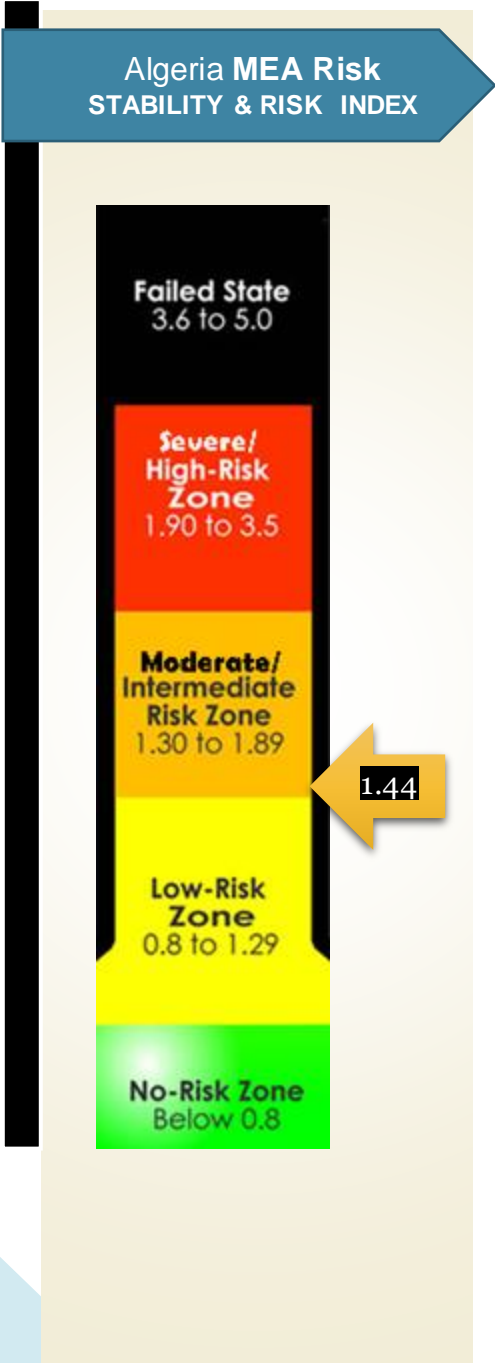


ALGERIA WEEKLY THREAT & STABILITY ASSESSMENT



HIGHLIGHTS

- For the period of 10 to 16 November 2016, there were 62 critical incidents in Algeria, resulting in 3 deaths, 4 wounded, and 367 arrests. The arrests comprised mostly of illegal migrants. Criminality has been a major source on instability, accounting for 35% of the total incident pool, followed by the human and social category at 29%.

Politics/Social	6
Economic Issues	11
Security Issues	13
- With the MEA Risk Index at 1.44, Algeria is a moderate/intermediate risk country.
- The most important incident of the week was the killing of two plainclothes soldiers and a civilian in a terrorist ambush in Ain Defla's Tariq Ibn Ziyad municipality. The insurgents used a fake checkpoint consisting of a tree trunk, which is reminiscent of methods used by militant groups in the 1990s. The incident left the population anxious and the authorities on high alert.
- The anti-terror campaign continued this week with at least 47 homemade bombs dismantled during mostly in Bouira. Twenty three militant hideouts were also identified, with operations ongoing in Skikda, Bouira, Sidi Bel abbes, Jijel, and Adrar. Additionally, a large weapons cache was found near the Malian border, in Bordj Badji Mokhtar. In Tamanrasset, two armed insurgents known for being part of al-Qaeda surrendered to the army.
- Algeria's western border is set to receive a significant security overhaul in the coming months, after the ministry of justice announced the use of drones, satellite surveillance and night vision at the

Moroccan border. This area is rife with drug trafficking and contraband smuggling networks. It is also believed that Islamist insurgents have been crossing the border regularly in the past few months.

- A report mid-week of a possible suicide bombing has kept army units in the northern provinces of Jijel, Skikda and Constantine on high alert. The suspect is believed to be an insurgent seeking personal revenge rather than a commissioned attack, according to police accounts.
- Popular concern for the president's health is on the rise after his trip to France for an operation which some sources indicate was for a pacemaker implant. In the meantime, the FLN claims that the President will be able to walk again the next few months.
- A violent protest took place in Tizi Ouzou after the publishing of the list of social housing beneficiaries. Another skirmish between protesters and the police took place in Khraicia, in the suburbs of Algiers. The clash left at least four policemen injured.
- While the Finance Bill 2017 is being debated, tax hikes are being considered by the government. The bill was vehemently criticized by the opposition party RCD and the majority party RND, which denounced the bill as a "short-term fix."

Contents

Highlights 1

Political Affairs 6

Growing opposition over the 2017 budget 6

FFS members denounce suspension of mayor in Bouira 6

Fresh concerns over President's health 6

SG of government-endorsed union Calls for SNVI CEO to Step Down 7

Conflict at Bouira municipal assembly amid accusations of embezzlement 7

Human & Social Issues 8

Khraicia youths clash with police: four policemen injured 8

Security reinforced in Constantine amid civil protection protest 8

Tizi Ouzou: Former self-defense group stages protests 8

Social housing claimants hold protests in Bejaia, Tizi Ouzou 8

Kherrata villagers shut down town hall 9

Barbacha residents shut down National Road 75 (NR75) 9

Crack down on illegal immigration: 118 arrested in several provinces 9

Municipal workers to organize monthly protests 9

Air Algerie pilots stage impromptu strike 9

Agriculture students stage protest 9

Hydrocarbon chemistry students rally against unemployment 10

Ouargla: Youths demand resumption of hospital construction project 10

Economy & Business 11

Majority MPs and governors propose new tax or tax increases 11

Price of oil settles under 45 dollars 11

IMF urges radical, deep reforms 11

Subsidies to reach \$28 B by the end of 2016 11

Eight Sonelgaz senior employees in Tebessa suspected of embezzlement 11

Security 13

Ain Defla: Two soldiers, civilian dead in targeted attack 13

Adrar: Weapons depot found in Bordj Badji Mokhtar 13

Constantine: Army on high alert amid reports of possible suicide bombing 13

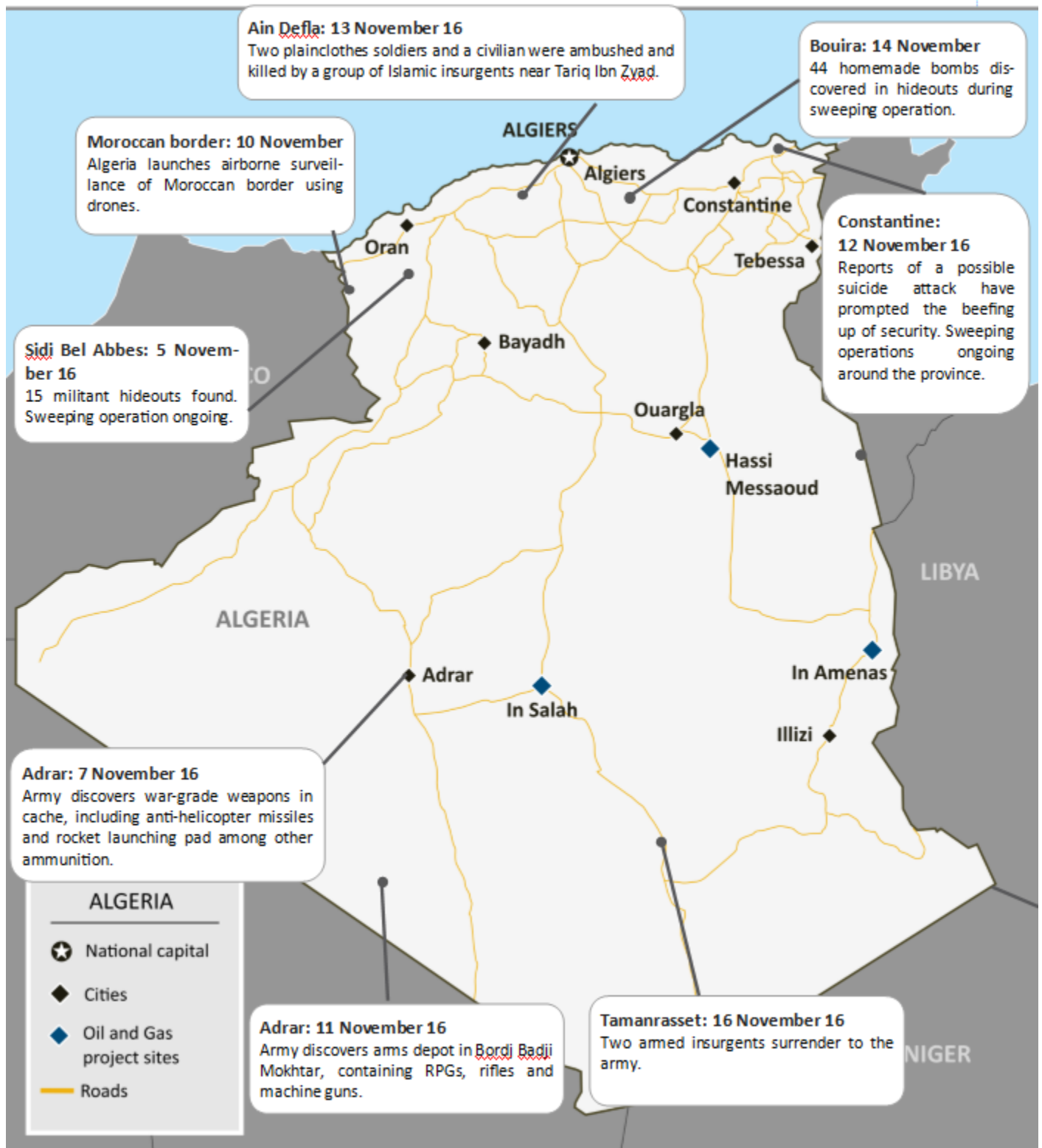
22 hideouts, 47 homemade bombs found in Bouira, Jijel and Sidi Bel Abbes 13

Tamanrasset: Two insurgents surrender to army 14

Bechar: Government announces launch of drone surveillance at Morocco border	14
Criminality	15
Over 34,000 liters of contraband fuel seized	15
Dozens of Contraband Smugglers Thwarted, Arrested	15
Drug Busts Lock Up 15, Purge over three Tons of Drugs from Market	15
Annaba: Chairman of commerce chamber jailed for five years	15
Bayadh: Head of Bougtob commune jailed for embezzlement	16
About MEA Risk LLC	17
Copyright Notice and Disclaimer	17

Major critical Incidents in Algeria

For the period of 10-16 November 2016. Source: MEA Risk's Critical Incidents Tracker



REVIEW

POLITICAL AFFAIRS

Growing opposition over the 2017 budget

There have been growing discontent among the political class over the draft budget under the country's 2017 finance law.

The opposition party Culture and Democracy Rally (RCD) has voiced its opposition to the new finance bill, denouncing what it calls "budgetary approximation". In a statement published on 12 November, the party led by Mohcine Belabbas called the bill "the archetype of anachronisms that characterize the economic governance of the country." The RCD has also expressed concern about the fact that the government is "risking" projections for the next three years, which it claims could widen the public finance deficit.

Meanwhile, MPs with the ruling National Democratic Rally (RND) have joined the opposition in slamming the Prime Minister Abdelmalek Sellal for a lack of crisis exit strategies, during the debate on the 2017 finance bill, which was boycotted by more than 60% of the parliament. RND MP Salah Dekheli criticized the Prime Minister for resorting to "short-term fixes", and "awaiting a miracle instead of finding suitable solutions." The bill has a great chance of passing, as it is endorsed by the FLN, which has a majority of seats at the parliament.

Furthermore, eight opposition parliamentarians have pulled out from the commission tasked with examining the controversial retirement bill, in a bid to denounce "a violation of the internal rules by the president" of the said commission. MPs from the

Algerian Green Alliance, the Labor Party and the Justice and Development Front claim that the bill is not being reviewed thoroughly, and that social partners, including unions and experts were not consulted by the commission before it endorsed it. The cancellation of the early retirement system has caused considerable controversy among workers in many sectors, leading to strikes and protests mostly in the north.

FFS members denounce suspension of mayor in Bouira

A group of 50 citizens and members of the opposition party Social Forces Front (FFS) gathered outside the communal assembly of Lakhdaria to denounce the "arbitrary" suspension of the local mayor, Oukil Mohamed. The leader of the FFS parliamentary group, Chafai Bouiche, has participated in the protest. The suspended mayor was suspended for granting a construction permit illegally. The FFS members claim that the authorities are "only" cracking down on heads of communes who are part to the opposition party, as two others were dismissed in Boumerdes and Teleghma for alleged wrongdoing.

Fresh concerns over President's health

One week after the presidency announced that Abdelaziz Bouteflika was to undergo a medical check up in France, the population's concerns are growing. Despite the president's return to Algiers on 15 November, his current health status is still unclear. According to a source close to the government, the president had undergone pacemaker implantation, due to a recent deterioration in his condition. The FLN has, however, recently stated that Abdelaziz Bouteflika will be able to walk again in the next few months, a statement that confirms the poor health of the President.

SG of government-endorsed union Calls for SNVI CEO to Step Down

Abdelmadjid Sidi-Said, the secretary-general of the General Union of Algerian Workers (UGTA), has accused certain high-ranking employees of the National Company of Industrial Vehicles (SNVI) of

"fomenting the strike action to undermine the industrial sector and create an unhealthy climate in the country". The head of the government-tied union UGTA called for the dismissal of the CEO of SNVI, as more than 4,000 workers are observing a strike to protest the lack of activity at the company, and the "inefficiency" of the general director.

Conflict at Bouira municipal assembly amid accusations of embezzlement

The research and investigation brigade of Bouira has opened an enquiry into allegations made by the vice president of the Bouira commune assembly against the president of the same assembly. Ali Bechlaoui, the VP, officially accused the president of embezzling public funds and poorly running the commune by undermining the local economy. This year, five communal officials were jailed in several provinces for embezzlement.

HUMAN & SOCIAL ISSUES

Khraicia youths clash with police: four policemen injured

On 11 November, a group of residents of Khraicia, a commune located in the suburbs of Algiers, clashed with the police after the arrest of a local man for real estate fraud. Local youths wielding swords and other bladed weapons attacked the police force, wounding four officers. The authorities issued arrest warrants against some of the rioters, who are said to be habitual criminals. Social unrest has become a source of concern in this area of the capital, as the neighboring communes of Draria, Douera and Ouled Fayet have also seen clashes between protesters and the police.

Security reinforced in Constantine amid civil protection protest

About 100 civil protection officers started a protest outside the headquarters of Constantine on 14 November to demand the dismissal of the regional director, who is accused of abuse of authority. Consequently, the police reinforced security in the region, but no incidents were reported.

Tizi Ouzou: Former self-defense group stages protests

The former self-defense group that was active during the civil war known as the Patriots has staged a sit-in protest outside the provincial headquarters of Tizi Ouzou and Bouira to condemn their alleged marginalization by the authorities, despite their counter-terrorism efforts in the 1990s. The protesters claim that their demands, which include pensions and health benefits, "are legitimate."

Social housing claimants hold protests in Bejaia, Tizi Ouzou

Protesters blocked the national road 26 in the industrial zone of Akbou, province of Bejaia on 9 November. The protesters demanded the distribution of housing units in the region, and condemned the fact that local building projects are three years overdue. West in Tizi Ouzou, more than 100 people organized a protest on 15 November against their exclusion from housing benefits, citing a recently released list of housing recipients wherein they were not included. Traffic in downtown Tizi Ouzou was heavily disrupted. The police intervened, and successfully dispersed the protesters without resorting to the use of force.

Kherrata villagers shut down town hall

In Bejaia, a group of Kherrata residents shut down the local town hall to demand the construction of a soccer field. The protesters claim that an agreement was found with the communal authorities two years ago but that it never materialized.

Barbacha residents shut down National Road 75 (NR75)

The residents of Bejaia's Barbacha commune have staged a protest, and shut down the national road 75 after a local 84-year old man was killed in a hit-and-run involving a truck. A general strike was also observed in the commune.

Crack down on illegal immigration: 118 arrested in several provinces

At least 176 undocumented immigrants were stopped in multiple southern provinces during the week of 10 – 16 November. An army brigade in In Guezzam apprehended a group of 47 illegal immigrants suspected of being gold miners on 11 November, after detaining 56 illegal immigrants two days prior. All were from Sub Saharan Africa. In the regions of Tamanrasset, Bordj Badji Mokhtar and In Guezzam, the army arrested 65 illegal immigrants from Sub-Saharan Africa on 13 November, and detained eight more in Adrar on 15 November.

Municipal workers to organize monthly protests

The communal workers affiliated with the national autonomous union of public administration personnel (SNAPAP) have decided to escalate their protest action by organizing monthly protest marches, starting on 20 November. In an effort to demand the satisfaction of their demands, including unlimited-term contracts, better pay and benefits, the protesters have said that they are willing to negotiate with the government.

Air Algerie pilots stage impromptu strike

The pilots of the state-owned airline Air Algerie have staged an impromptu strike on 13 November at 8pm, causing the cancelation of several domestic and international flights. The union has demanded salary hikes and the departure of the general director of the airline, Mohamed Abdou Bouderbala, who was accused of “running the company into the ground”. The strike ended the day after, but the personnel vowed to observe other strikes in the near future.

Agriculture students stage protest

In light of a decision to "arbitrarily" dismiss two professors from the University of Agriculture in el-Harrach, Algiers, dozens of students staged a sit-in protest outside the ministry of higher education in the capital. The two professors were fired for denouncing nepotism, and the registration of students who did not take the entry test.

Hydrocarbon chemistry students rally against unemployment

About 1,800 students at the hydrocarbon Chemistry University of Boumerdes started a protest march on 15 November to denounce a high unemployment rate in the sector, and recruitment policies that they deem "discriminatory" against them. The police was heavily present in central Boumerdes to prevent potential escalations. The protesters claim that Sonatrach and foreign oil companies are, for the most part, recruiting workers who graduated from the University of Ouargla, for practical reasons, despite the fact that their university is considered one of the best in the country.

Ouargla: Youths demand resumption of hospital construction project

A group of youth citizens in the province of Ouargla have staged a protest on 8 November to demand the resumption of a project to build a hospital. The sit-in mobilized more than 100 NGO members who denounced the dire situation faced by the local population, who have to travel hundreds of miles to reach a hospital.

ECONOMY & BUSINESS

Majority MPs and governors propose new tax or tax increases

In an expected move, the majority MPs have validated all price hikes that came as part of the 2017 finance law. The parliamentarians have also proposed a 2% tax hike on mobile phone refills, which will be paid by operators.

Meanwhile, as austerity was the main item on the agenda of a meeting between the cabinet and governors from all 48 provinces, the governors have proposed an increase in local taxes, including housing, sanitation, use of communal roads by heavy duty trucks and environment, among others. If the measure is adopted, citizens would have to pay for services that are currently free of charge.

Price of oil settles under 45 dollars

The price of a barrel of crude oil has dropped to 44,62 US dollars, after 14 countries of the oil cartel extracted 33,64 million barrels per day in October, which represents a an increase of 236,000 barrels per day. Nigeria, Libya and Iraq are said to be responsible for the development. Given the fact that the 2017 finance bill was drafted on the basis of a barrel price of 50 dollars, further austerity measures could be taken if the bill passes.

IMF urges radical, deep reforms

IMF official Jean-François Dauphin has urged radical reforms in Algeria in the margins of a visit to the capital on 14 November. The top level official called for the stabilization of government finances. The IMF delegation has also alerted that the economic perspectives of Algeria will largely depend on the success of reforms to be carried out by the government.

Subsidies to reach \$28 B by the end of 2016

According to a study published by the Business Leaders Forum (FCE), Algeria will spend 27.7 billion USD in public subsidies this year, as opposed to 40 billion USD in the last two years due to a 5 billion USD deficit in hydrocarbon exports in 2016, and despite a 4.7 billion USD drop in exports compared to last year. The budget allocated to indirect subsidies should reach 15.3 billion USD, which accounts for 55.23% of the overall budget. The housing sector will benefit from 4.7 billion USD (16.96%), the health sector 3.2 billion USD, the family support sector 4.5 billion USD. The figures were calculated based on a price of 48 USD per barrel of crude oil.

Eight Sonelgaz senior employees in Tebessa suspected of embezzlement

Eight senior Sonelgaz employees have been summoned to the police in Tebessa over suspicions of embezzlement of public funds and document forgery, after the state-owned electricity company

filed a complaint against them. The employees are said to have committed the crimes while managing an electricity distribution project involving 25 commercial premises.

SECURITY

Ain Defla: Two soldiers, civilian dead in targeted attack

Two plainclothes soldiers and a civilian heading to Aghbal were killed in Ain Defla's Tarik Ibn Ziyad commune on 13 November in the afternoon, after being ambushed by Islamist insurgents near the mountainous region of Jebel Ellouh, according to security sources. The assailants opened fire on the victims, and then slit their throats before torching the car. This modus operandi is reminiscent of the methods used by the former Armed Islamic Group (GIA) in the 1990's to target the army and civilians in rural areas.

Adrar: Weapons depot found in Bordj Badji Mokhtar

A weapons depot containing war grade weapons was discovered by the army on 11 November near the Malian border, in Bordj Badji Mokhtar (Adrar). The weapons found in the cache include two RPK machine guns, a RPG2 rocket launcher, three semi-automatic Simonov rifles, three Mat-44 machine guns, and an automatic Makarov rifle. A large quantity of rockets and ammunition were also seized.

Constantine: Army on high alert amid reports of possible suicide bombing

The security forces in Skikda, Jijel and Constantine remain on high alert as they continue to chase insurgents believed to be entrenched in the mountains of eastern Algeria. A report claiming that a suicide bombing may take place in the region has prompted security reinforcements in the urban areas as well. According to the report, an insurgent by the name of Youcef Massahal, otherwise known as Zoubeir, is seeking revenge in light of the killing of his two insurgent brothers at the hands of the military, and the arrest of his father, who confirmed Zoubeir's sinister intention.

22 hideouts, 47 homemade bombs found in Bouira, Jijel and Sidi Bel Abbes

During ongoing sweeping operations in Skikda, Jijel and Bouira, army units discovered 22 hideouts in Bouira (7), Jijel (6) and Sidi Bel-Abbes (9) between 9 and 15 November. Additionally, a total of 47 homemade bombs and detonators were found in Skikda (3) and Bouira (44). This development has prompted further large scale counter-terrorism operations around the said provinces, amid an uptick of terrorism activity in recent weeks.

Tamanrasset: Two insurgents surrender to army

An army patrol in Tamanrasset arrested two wanted Islamist insurgents affiliated with al-Qaeda on 16 November. The suspects, known as "Abu Zaid" and "Abu Naim", turned themselves in peacefully. Two Kalashnikov machine guns and a quantity of ammunition were retrieved.

Bechar: Government announces launch of drone surveillance at Morocco border

The ministry of justice has announced the launch of a new border monitoring apparatus at the Moroccan border, which includes drones, satellite surveillance, night vision cameras and mobile radars. This comes as part of efforts to crack down on insurgent movements, contraband, fuel and drug trafficking and illegal immigration.

CRIMINALITY

Over 34,000 liters of contraband fuel seized

Fuel smuggling attempts were thwarted in the provinces of Souk Ahras, Tebessa, el Tarf, Tamanrasset, and El Oued during the week of 10 – 16 November for a total of 34,698 liters, or 9,166 gallons, of contraband fuel. In most cases the fuel was seized in association with other contraband including vehicles (16 4x4s and one truck) and gold mining supplies like power generators (54), jackhammers (42), and several metal detectors.

Dozens of Contraband Smugglers Thwarted, Arrested

The army, gendarmerie and border guard units apprehended at least 55 contraband smugglers during the week in multiple provinces. Their cargo varied from gravel-gold mixture (610 kilograms), tobacco and liquor (13.3 tons and 12K bottles respectively), to vehicles (five 4x4's and three truck) and copper waste (40 tons), including combinations of multiple contraband items. Operations were thwarted in El Oued, Tamanrasset, and Oran. The efforts to reduce cross-border smuggling on the eastern border remain in full force, as reports indicate the near completion of the barrier between Algeria and Tunisia. Still, smuggling along international borders remains problematic as the country seeks to guard nearly 4,200 miles of inland border territory, not counting the roughly 1,000 miles of active coastline.

Drug Busts Lock Up 15, Purge over three Tons of Drugs from Market

The army, gendarmerie and border guard continued efforts nationwide to crack down on drug traffickers and dealers, resulting in busts in 11 provinces: Tlemcen, Tebessa, Khenchela, Siddi Bel Abbes, El Oued, Ghardaia, Ouargla and Biskra, Batna, Ain Temouchent and Djanet. Though multiple busts ended without an arrest, at least 15 traffickers were detained. Products seized include 3,259 kilograms or 3.6 tons of treated kif, 2,500 psychotropic pills, and 5,285 kilograms or 5.8 tons of tobacco. Other confiscated items included 12,500 packs of contraband cigarettes in Tebessa, 20,000 USD in Khenchela, two sedans in Siddi Bel Abbes, and 369 bottles of contraband liquor.

Four Provinces Witness Spike in Pyrotechnic Smuggling, over a Million Products Confiscated

In the provinces of Biskra, El Oued, Ouargla and Ghardaia the army, gendarmerie and border guard seized over 1.3 million pyrotechnic products, generally defined as banned fireworks and firecrackers. Over 1.2 million products were seized in El Oued and Hassi Messaoud alone. It is notable that each of the four busts occurred in provinces either bordering or close to the Tunisian border, though this does not eliminate the possibility of product smuggling nationwide.

Annaba: Chairman of commerce chamber jailed for five years

The president of the commerce and industry chamber (CCI Seybousse) and his driver were sentenced to five years in prison for conspiracy, a policeman to 12 years for abuse of office and a drug trafficker to 10 years by the criminal court of Annaba. The case dates back to July 2016, when a journalist investigating the alleged drug dealings of the CCI president was arrested by the policeman for no specific reason.

Bayadh: Head of Bougtob commune jailed for embezzlement

The former president of the commune of Bougtob, al-Bayadh commune, has been sentenced to five years in prison for forgery and falsification of records, embezzlement of public funds, abuse of office and illegal awarding of contracts.

About MEA Risk LLC

MEA Risk is a threat and stability assessment company that offers research, tracking, rating and alerting services, and well custom consulting services to clients operating or interested in North Africa, the Sahel, Sub-Sahara Africa, and the broad Middle East. Today, we are providing services on the Maghreb, the Sahel, Egypt, East Africa, Turkey, Nigeria and Mozambique. We are expanding to include Saudi Arabia, Iran over the coming months, and we will expand to other regions in 2017. We are building a brand new infrastructure, both human and material, including technological to offer tremendous choices to clients.

What we track, rate and notify our clients on is the ability of the nations to remain stable, and by extension providing information to organizations and individuals to secure their presence and protect their assets in the regions that we track. This is not only in terms of using traditional metrics such as financial and macro-economic data, but we also take into account human, social, and political factors that have often been neglected, to strengthen our coverage of security and defense issues.

Our core product is Critical Incidents Tracker, a rich database of incidents that feed into and contribute to our analyses, and used to broadcast alerts. Our peripheral products are the free TripFence Mobile application and the upcoming Premium Shield & Alert Mobile. Both are available via Google and Apple stores.

To know more about us, visit <http://www.MEA-Risk.com> or call us in the US at 508-981-6937

Copyright Notice and Disclaimer

Entire contents, Copyright © MEA Risk LLC and its partners when stated. All rights reserved. Reproduction of this publication in a form without prior written permission is forbidden. The information contained herein has been obtained from sources believed to be reliable.

MEA Risk LLC disclaims all warranties as to the accuracy, completeness or adequacy of such information. MEA Risk LLC shall have no liability for errors, omissions or inadequacies in the information contained herein or for interpretations thereof. The reader assumes sole responsibility for the selection of these materials to achieve its intended results. The opinions expressed herein are subject to change without notice.

No part of this assessment may be published or copied.

Contact Us

MEA Risk LLC

Research & Reporting Unit

1931 NW 150th Avenue, Suite 128

Pembroke Pines, FL 33028

US+508-981-6937

inquiries@MEA-Risk.com

MEARISK LLC

1931 NW 150th Avenue, Suite 128
Pembroke Pines, FL 33028

Recipient Name

Street

City, ST ZIP Code

Address